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May 31, 2006*

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Attorneys for Certain Direct Lenders

UNITED STATES BANKRUPTCY COURT

DISTRICT OF NEVADA

In re:

USA COMMERCIAL MORTGAGE COMPANY,
Debtor.

USA CAPITAL REALTY ADVISORS, LLC,
Debtor.

USA CAPITAL DIVERSIFIED TRUST DEED FUND,
LLC,
Debtor.

USA CAPITAL FIRST TRUST DEED FUND, LLC,
Debtor.

USA SECURITIES, LLC,
Debtor.

Affects:

- ☐ All Debtors
☒ USA Commercial Mortgage Company
☐ USA Capital Realty Advisors, LLC
☐ USA Capital Diversified Trust Deed Fund, LLC
☐ USA Capital First Trust Deed Fund, LLC
☐ USA Securities, LLC

Case No. BK-S-06-10725-LBR
Case No. BK-S-06-10726-LBR
Case No. BK-S-06-10727-LBR
Case No. BK-S-06-10728-LBR
Case No. BK-S-06-10729-LBR

Chapter 11

STATEMENT OF JONES VARGAS PURSUANT TO BANKRUPTCY RULE 2019 (AFFECTS ALL DEBTORS)

Hearing Date: n/a
Hearing Time: n/a

I, Janet L. Chubb, Esq., declare, under penalty of perjury, and state, as follows:

1. I am an attorney licensed to practice law in the state of Nevada and am a shareholder of the law firm of Jones Vargas. I have personal knowledge of the facts set forth herein and if called as a witness could and would competently testify thereto.

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2. Louis M. Bubala, Esq., an associate of Jones Vargas, and I are the attorneys primarily responsible for representing the following Direct Lenders in connection the above-captioned cases, as first deed of trust holders only, with regard to certain loans which were originated and serviced by the Debtors:

Andrew and Ellen Dauscher
P. O. Box 10031
Zephyr Cove. NV 89448

Mojave Canyon Inc.
Attn: J.B. Partain, President
1400 Colorado Street #C
Boulder City, NV 89005

Fertitta Enterprises, Inc.
Attn: William J. Bullard, CFO
2960 W.Sahara Avenue, Suite 200
Las Vegas, NV 89102

Evelyn Asher Sheerin, Trustee for
the benefit of The Chris H.
Sheerin (deceased) and Evelyn
Asher Sheerin 1984 Trust Dated
5/31/84, Evelyn Asher Sherrin,
Trustee of the Chris and Evelyn
Sheerin 1990 Trust, and Sheerins Inc.
c/o Gary A. Sheerin, Esq.
177 W. Proctor St., #B
Carson City, NV 89703

3. The representation of each client is based on direct loans each of them made to the borrowers in one or more of various real property development projects currently being serviced by USA Commercial Mortgage Company, which are secured by deeds of trust.

4. The total of the loans made by the above-referenced individuals and entities is unknown at this time, due to incomplete records received from the Debtors.

5. The majority of these loans were made more than a year prior to the filing of petitions by the Debtors.

6. I filed this Statement as soon as it was feasible after learning Jones Vargas would not be representing an official committee appointed by the United States Trustee.

7. A supplement to this Statement will be filed upon the retention by additional Direct Lenders.

DATED this 31st day of May, 2006.

JONES VARGAS

By: //s// Janet L. Chubb
JANET L. CHUBB, ESQ.
LOUIS M. BUBALA, ESQ.

Attorneys for Direct Lenders/Beneficiaries

CERTIFICATE OF SERVICE

1. We filed the following document(s) on May 31, 2006:

BANKRUPTCY RULE 2019 STATEMENT OF JONES VARGAS

2. Upon filing, I served the above-named document(s) by the following means to the persons as listed below:

: a. **ECF System** (attach the "Notice of Electronic Filing" or list all persons and addresses):

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- **MATTHEW C. ZIRZOW**
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9 b. United States mail, postage fully prepaid (list persons and addresses):

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LAW OFFICES OF JAMES G SCHWARTZ
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PLEASANTON, CA 94588

RICHARD J. MASON
130 PINETREE LANE
RIVERWOODS, IL 60015

ERVEN T NELSON
6060 W. ELTON AVENUE, SUITE A
LAS VEGAS, NV 89107

NICHOLAS J SANTORO
400 S FOURTH ST 3RD FLOOR
LAS VEGAS, NV 89101

MICHAEL M. SCHMAHL
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CHICAGO, IL 60601

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7901 STONERIDGE DR #401
PLEASANTON, CA 94588

PATRICIA K. SMOOTS
318 N GROVE
OAK PARK, IL 60302

BRADLEY J STEVENS
3300 N CENTRAL AVE #1800
PHOENIX, AZ 85012

GREGORY J WALCH
400 S FOURTH ST 3RD FLOOR
LAS VEGAS, NV 89101

WILLIAM E WINFIELD
POB 9100
OXNARD, CA 93031

9 c. Personal Service (list persons and addresses):
I personally delivered the document(s) to the persons at these addresses:

9 For a party represented by an attorney, delivery was made by handing the document(s) to the attorney or by leaving the document(s) at the attorney's office with a clerk or other person in charge, or if no one is in charge by leaving the document(s) in a conspicuous place in the office.

9 For a party, delivery was made by handing the document(s) to the party or by leaving the document(s) at the person's dwelling house or usual place of abode with someone of suitable age and discretion residing there.

: d. **By direct email (as opposed to through the ECF System)** (list persons and email addresses):

Annette Jarvis
AJarvis@rqn.com

Based upon the written agreement of the parties to accept service by email or a court order, I caused the document(s) to be sent to the persons at the email addresses listed below. I did not receive, within a reasonable time after the transmission, any electronic message or other indication that the transmission was unsuccessful.

9 e. **By fax transmission** (list persons and fax numbers):

Based upon the written agreement of the parties to accept service by fax transmission or a court order, I faxed the document(s) to the persons at the fax numbers listed below. No error was reported by the fax machine that I used. A copy of the record of the fax transmission is attached.

9 f. **By messenger:**

I served the document(s) by placing them in an envelope or package addressed to the persons at the addresses listed below and providing them to a messenger for service. (A declaration by the messenger must be attached to this Certificate of Service).

I declare under penalty of perjury that the foregoing is true and correct.

DATED this 31st day of May, 2006.

Name Tawney Waldo

Signature //s// Tawney Waldo

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